GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2722
ANSWERED ON:19.03.2007
DEPARTMENT OF CHEMICALS AND PETROCHEMICALS
Reddy Shri Karunakara G.

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government has assessed the impact of recent patent laws on the restructuring of pharma sector in the country;

(b) if so,the details and outcome thereof;

(c) whether such restructuring would cause the closure of some units;

(d) if so, the extent of unemployment recorded as a result thereof;and

(e) the steps being taken to absorb the skilled manpower of the closed units?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS & MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a)to(e) India is a signatory to the agreement establishing the World Trade Organisation. The WTO Agreement,inter-alia,contains an agreement on IPR,namely,the Agreement on Trade Related Aspects of IPR (TRIPS).The TRIPS Agreement requires member countries to align their legislations on intellectual property in conformity with their obligations under the TRIPS Agreement. In respect of Patents,the TRIPs Agreement prescribed introduction of product patents from 1.1.2005, for pharmaceutical,food and agrochemical inventions.Accordingly,product patent protection has been provided by amending Indian Patents Act 1970. while considering the amendments to the Indian Patents Act, 1970 elaborate consultations were carried out with ad the concerned Departments of the Government of India and also with the various concerned organisations and industry associations including the prominent associations of the pharmaceutical industry. The concerns and apprehensions projected by the pharmaceutical industry, including the impact on the pharmaceutical sector as a whole, have been by and large given consideration and adequate safeguards to ensure the continued availability of medicines at reasonable prices have been incorporated in the law while finalising the amendments. It is estimated that over 95 percent of the drugs being produced in India are off-patent and would not be affected by the introduction of product patent. Similarly the medicines included in the National List of Essential Medicines,2003 are also off-patent and would not be affected by the product patent regime.The small number of drugs (less than 5 percent) which are likely to be covered under product patent would continue to be produced in the country without any interruption. This has been ensured under the latest amendment in the Indian Patents Act, 1970. A reasonable royalty on the production of such drugs would become payable to the patent-holder company. Since production of the existing drugs being produced in India would not be affected by the introduction of product patent regime there is no likelihood of closure of some of the units due to this reason.As such there is no question of unemployment in the pharma industry taking place in India due to introduction of product patent regime.